

KSG Talent Management Newsletter

Time to Start Thinking About 2009

It has been some time since I published the KSG Talent Management Newsletter (formally the KSG Staffing Newsletter). The honest reason for the long lag time has been due to the high activity of our clients in hiring through the first half of 2008. The level of activity during 1H08 was greater than all of 2007.

"Recession....what recession?"

We all read the daily newspapers and watch the evening national news to hear about the drags on the economy...sinking housing prices, mortgage crisis, financial firm collapses, high fuel costs, raising inflation and many more concerns. What we have not seen is massive layoffs across many industries. In fact, the technology sector has actually held up quite well. IBM, Sun, Microsoft and other leading technology firms have announced better than expected earnings, with reasonable projections for the remainder of 2008.

All of our clients are technology firms and they too are concerned with what they see happening across the economy. In most cases, 2008 not been a bad year but has fallen short of their expectations, whether the goals were reasonable is a separate question. Their hiring in 1H08 has been strong, but there is a sense of hesitation for 3Q. In the Wall Street Journal on July 21st it was cited that members of the National Association for Business Economics are "somewhat more optimistic about the economy than they were three months ago" and "see 'cautious but still positive hiring plans' over the next six months."

During past economic slowdowns, companies that continue to make strategic hiring decisions in 4Q are best positioned for rebounds in the following year, especially in the areas of technology sales. The best time to attract top sales talent in 2H is during 3Q and early 4Q, since they are less likely to make a change during year-end and lose potential commissions. These top sales professionals would prefer to make a change at a time they can have a full-year under a new sales plan. Therefore, it is essential to start recruiting these candidates during the late summer and fall.

There is never a good time for successful sales professionals to leave one company for another. They will always be leaving money on the table and risk not being able to

transfer all their accounts. The key in recruiting these people is to be able to articulate the benefits of the new company, position and culture, while considering the best transition timeline that reduces their financial impact. That being said, the best time for an individual to make a change is typically at the start of new year or quarter.

This logic applies for bringing in new sales leadership. The only major difference is that sales executives taking over a sales team will likely want to make organizational changes early in the fiscal year, so they will be more apt to start prior to year-end to observe and plan for pending changes.

I hope that you found our perspective useful and timely, as the fall planning process is just around the corner. It is our goal to provide more regular Newsletters on key topics we are seeing in the marketplace. Upcoming topics include, "Is your sales compensation plan competitive?" "Employments agreements that can make you uncompetitive," and "Be careful falling in love with that new Vice President." If you have any topics of interest or would like to discuss this Newsletter, please feel free to contact me directly at curtis@kuttbauer.com or (231) 922-9380 x300.

About KSG

KSG is a national boutique executive search firm that specializes in the placement of high technology senior sales executives, from SVP of Sales to senior level sales professionals, including departments tied to the sales functions. Our clients include those selling high-end information technology hardware, enterprise software and professional services.

Recent searches completed include the following:

- Vice President of Enterprise Sales for a leading HCM software firm
- Networking Sales Manager for a leading IBM Business Partner
- IP Telephony Sales Manager for a leading Systems Integrator
- Several Account Executives, Presales Systems Engineers and Consultants for various high technology clients

Current priority searches include:

- Vice President of Professional Services for an enterprise software firm
- Accounts Executive for an eCommerce solution provider
- Director of Sales Operations for an enterprise software firm
- ERP Solutions Architect for a leading Systems Integrator
- Account Executives nationally for several IBM Business Partners, System Integrators and enterprise software firms
- Head of School for an independent school in Traverse City (services being done pro-bono)



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